

CHAPTER 7

SECTION 7.2

TRICARE SENIOR PHARMACY PROGRAM

ISSUE DATE: March 23, 2001

AUTHORITY:

I. DESCRIPTION

A. Pursuant to Section 711 of the FY 2001 National Defense Authorization Act, Medicare Eligible beneficiaries based on age, whose TRICARE eligibility is determined by 10 U.S.C. Section 1086, are eligible for Medicare Part A and, except as provided in [paragraph II.B.](#) below, are enrolled in Medicare Part B, are eligible for TRICARE pharmacy benefits effective April 1, 2001.

B. Individuals, who before April 1, 2001, have attained the age of 65 and who are not enrolled in Medicare part B are eligible for the TRICARE Senior Pharmacy Program.

II. POLICY

A. MHS Medicare eligible (based on age) beneficiaries, will be eligible for prescription drugs and the supplies necessary for the administration of pharmaceuticals obtained from a network retail pharmacy, a non-network retail pharmacy, or through the National Mail Order Pharmacy. Diabetic supplies shall be covered under this program as medical supplies with the applicable medical supply copays/cost-shares. The MCS Contractor shall adjudicate claims for prescriptions filled in network/non-network pharmacies on and after April 1, 2001.

B. The contractors shall determine from the Defense Enrollment Eligibility Reporting System (DEERS) TRICARE Senior Pharmacy Care Indicator (formally the BRAC Pharmacy Indicator) of "R" if the individual is eligible to have his/her prescription drug claims reimbursed. In addition to the BRAC Indicator, the beneficiary shall be otherwise eligible for the TRICARE Senior Pharmacy Benefit. Beneficiaries who formerly were eligible for either the BRAC pharmacy benefit or the Pharmacy Redesign Pilot Program will receive the "Y" code as of April 1, 2001 regardless of their Medicare Part B status. **NOTE: As of October 31, 2003, all "Y" codes previously carried in the legacy DEERS database will be converted to an "R", as the "Y" indicator code will no longer be supported on DEERS.** A beneficiary who turned age 65 prior to April 1, 2001 regardless of Medicare Part B status will be coded "R" under the TRICARE Senior Pharmacy Indicator. Eligible beneficiaries who turn 65 on or after April 1, 2001 and purchase Medicare Part B will also be coded "R" under the TRICARE Senior Pharmacy Indicator. Eligible beneficiaries who turn 65 after April 1, 2001 and elect not to purchase Medicare Part B are not eligible for the Senior Pharmacy benefit and will be coded "N" under the TRICARE Senior Pharmacy Indicator. If the TRICARE Senior Pharmacy

Care Indicator is blank, it will be interpreted as "N." For the TRICARE Senior Pharmacy Program only, Medicare eligible beneficiaries will not be enrolled in TRICARE Prime.

C. The prescription drug claims for TRICARE Senior Pharmacy eligible beneficiaries age 65 and over will be reimbursed in accordance with the applicable reimbursement sections of the Policy and Operations manuals. The contractor shall use any rates or discounts negotiated with the network pharmacy for the reimbursement of these claims. Beneficiaries shall pay a co-pay in accordance with [Chapter 12, Section 12.1](#) or TRICARE Reimbursement Manual, [Chapter 2, Addendum A](#) as appropriate. All deductibles and co-pays apply towards the catastrophic cap and CDCF.

D. Standard appeal rights are applicable.

E. The contractor shall provide TRICARE Senior Pharmacy Program information separately as part of the Monthly Workload and Cycle Time Aging Reports in the required format provided in OPM, [Chapter 15](#). Telephone inquiries, walk-ins, correspondence, appeal and grievance information do not have to be separated and may be provided in one report in the required format provided in OPM, [Chapter 15](#). These reports shall arrive by the 15th calendar day of each month reporting for the previous month.

F. The contractor shall market this benefit to TRICARE Senior Pharmacy program beneficiaries as identified by the Government. The contractor's marketing efforts shall be coordinated with TMA's Office of Communications and Customer Service.

G. The Defense Manpower Data Center DEERS Support Office (DMDC DSO) shall issue a list of potential eligible individuals to the contractor no later than January 12, 2001.

1. During the initial program implementation, the Government shall provide the educational material in camera-ready format, to the contractor, for the contractor to produce and distribute. The material will be a one page trifold and will share the look and feel of the current TRICARE family of marketing products, using four colors, and shall include appropriate artwork and photographs. The contractor shall enhance its ongoing marketing, customer, public and provider relations programs to include information on the TRICARE Senior Pharmacy program targeting eligible beneficiary populations. The marketing program shall be conducted in accordance with currently approved MCSC marketing programs. The MCSC shall mail to each eligible household, along with the provider directory, an educational pamphlet which communicates to beneficiaries the most cost effective methods to obtain pharmaceuticals (preference for MTF first, NMOP second, network retail pharmacies, and finally non-network retail pharmacies), explain use of generics versus brand name drugs, and shall emphasize PCM coordination (when appropriate) of all pharmaceuticals. This pamphlet shall be mailed to eligible beneficiary households no later than 45 calendar days prior to the start of the TRICARE Senior Pharmacy program. Included with this pamphlet shall also be information describing NMOP, including the NMOP registration form and return envelope. The NMOP materials shall be furnished by the government. All proposed marketing and outreach materials, whether intended for use in the initial or subsequent marketing campaigns or for other purposes, shall be forwarded to the COR for review and approval by TMA's Office of Communications and Customer Service, no later than five working days prior to the proposed publication date, unless otherwise specified. The contractor shall not release mass communication materials without prior review and approval by the Government. The contractor shall use TMA's Office of

Communications and Customer Services's available communications methodologies as a resource for creating marketing and outreach materials. These communication methodologies include: press releases, information posted to the TRICARE website, standardized briefings, and media interviews. The contractor shall begin marketing activities to eligible beneficiaries 45 calendar days prior to the start of the effective date of pharmacy coverage.

2. The contractor shall develop, print, and provide to each household a directory that identifies all retail network pharmacies in accordance with currently approved directory models. The contractor shall update the directories in accordance with current contract requirements. After the initial mailing, updated directories shall only be supplied upon request of the beneficiary.

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